



Jim Doyle  
Governor

Helene Nelson  
Secretary

**State of Wisconsin**  
**Department of Health and Family Services**

**DIVISION OF DISABILITY AND ELDER SERVICES**

1 WEST WILSON STREET  
P O BOX 7851  
MADISON WI 53707-7851

Telephone: (608) 266-2000  
FAX: (608) 266-2579  
TTY: (608) 266-7376  
dhfs.wisconsin.gov

## **MEMORANDUM**

**DATE:** May 18, 2004

**TO:** CMO Directors

**FROM:** Monica Deignan, Family Care Program Manager  
Center for Delivery Systems Development

**SUBJECT:** Incorporating New National Codes Into Family Care Processes

The purpose of the memo is:

- To provide information about how new national codes (HCPCS, CPT, POS, etc..) will be incorporated into FC Edit 199 table procedure code ranges in MMIS and in the Family Care rate schedules;
- To provide some direction for how to proceed in situations where you receive a claim from a provider with a code which has been published by CMS but is not being recognized by Wisconsin Medicaid, i.e. is not in the Edit 199 table procedure code ranges or the Family Care rate schedules; and
- To provide some direction for how to proceed when the CMO receives a claim for a code which is in the FC Edit 199 procedure code ranges but for which you do not yet have a rate in the Family Care rate schedules.

When CMS releases new national codes, the Wisconsin Medicaid program evaluates each code to determine if it will be a Wisconsin Medicaid benefit. There are several steps that need to be completed before these new codes are added to the MMIS system and communicated to Wisconsin Medicaid providers.

First, all new procedure codes must have policy established by the DHFS/Division of Health Care Financing (DHCF). These policy decisions include but are not limited to what types of providers can provide the service, where the service can be rendered, the rate type and the Medicaid rate associated with the service. After policy decisions have been made, the codes are evaluated to determine if they are part of the FC benefit package (as defined by the FC edit 199). The FC edit 199 table procedure code ranges outline the Medicaid service areas that are the responsibility of the CMO for FC members.

Second, Wisconsin Medicaid updates the MMIS with the new code information. New code releases generally require over 500 code updates to the MMIS system. MMIS must be updated and the rate information must be loaded into MEDS before the rates are published in the FC rate schedules. Thus, there is an approximate 30-day delay from when the codes have been updated in the FC edit 199 table procedure code ranges to the distribution of the new FC rate schedules to the CMOs.

Timeline for incorporating of new HIPAA codes into FC Edit 199 procedure code ranges and Family Care rate schedules.

1. Quarterly releases. CMS usually releases new codes quarterly, with the effective date of the new codes being the first of the following quarter. Beginning 1/1/04, these quarterly releases will be incorporated in the FC Edit 199 procedure code ranges and the FC rate schedules according to the schedule in Attachment A and as described above.
2. Other CMS or Wisconsin Medicaid Changes. Unfortunately, CMS and Wisconsin Medicaid code updates do not always follow the strict quarterly timetable. Besides the quarterly releases, CMS can issue mid-quarter corrections that may have retroactive effective dates. These other changes are usually corrections and as a rule should be minimal, but need to be dealt with as they happen. DHCF is being proactive by adding and removing new procedure codes from the FC Edit 199 table procedure code ranges after Wisconsin Medicaid has established policy and rates. When codes are changed mid-quarter the new or end-dated code will not be changed immediately in the FC rate schedules. DHCF and EDS will attempt to send the CMOs Pricing Updates when these types of changes occur. However, the CMOs are strongly urged to read Wisconsin Medicaid Provider Updates that identify these types of changes more quickly. (<http://dhfs.wisconsin.gov/medicaid/updates/index.htm#medicaid>)

If a CMO receives a claim for a code that has been released by CMS but is not listed in the Edit 199 table procedure code ranges, it is likely because DHCF has not completed setting policy for the code, and it is not known if it will be part of the Family Care benefit package. In these cases, which should be minimal, the provider should be instructed to resubmit the claim using a procedure code that is payable by Wisconsin Medicaid. If it is a crossover claim, then the claim will be processed using Wisconsin Medicaid policies.

If a CMO receives a claim for a code that is listed in the Edit 199 table procedure code ranges as being part of the FC benefit, but there is not a rate in the Pricing Guide, the CMO should:

1. Check the most current FC rate schedule and any Pricing Updates sent to the CMOs from DHCF/EDS.
2. Check the Wisconsin Medicaid Provider Updates to see if the procedure code and its rate have been published.
3. Send a query to Heidi and Rose on the pricing question form, a copy of which is attached to this memo.

What if the CMO receives a claim for a Medicare cross-over claim with a code that is listed in the Edit 199 table procedure code ranges but there is no rate in the FC rate schedules?

Medicare codes may be listed in the FC ranges in the Edit 199 table procedure code ranges because they are FC covered services, but it could be these codes are not used by Wisconsin

Medicaid. In these situations the CMO could check the HCPCS or CPT code manuals to determine if they are valid Medicare codes. If so, the CMO could go ahead and pay the crossover claim.

NOTE - Medicare must first pay on the claim for it to be considered a crossover.

What should the CMO do with Place of Service (POS) codes that have been released by CMS but that are not implemented in the Wisconsin Medicaid MMIS system?

Wisconsin Medicaid crosswalks national POS codes to local POS codes for MMIS processing purposes. The Wisconsin Medicaid evaluation for new national POS codes does not follow any of the procedure code processes established in this memo. Therefore, it will take longer for Wisconsin Medicaid to incorporate these new national POS codes into the MMIS and to communicate them to Wisconsin Medicaid providers. After Wisconsin Medicaid evaluates new national POS codes, DHCF will determine if there is any impact on the Edit 199 table and make changes if necessary. The new codes will also be added to the Wisconsin Medicaid POS listing in the Family Care Pricing Guide.

The POS code is used in the Edit 199 in mental health and therapies to ensure that Wisconsin Medicaid pays for inpatient hospital claims for FC members. These are the only FC service areas that are restricted by POS codes. The Edit 199 table has a POS column, which identifies these restrictions for these service areas as well.

DHCF does not provide specific rates for Family Care services based on the place of service of the claim. We have determined that the Department does not need the information provided by the new POS codes in the encounter data. (POS is currently not a required field on encounter reports, but probably will be sometime in the future). At the April, 2004 Code Committee meeting, the CMOs agreed that:

- CMOs will accept POS codes used by providers, so all of the codes have the potential to appear on claims to CMOs. The encounter application will accept all National Place of Service codes, so all of the codes also have the potential to appear on encounter transactions.
- CMOs will use POS code 13 as defined. They will use of POS 14 (Group Home) for CBRF and Adult Family Home.
- CMOs will use the place of service appropriate for the location to which the item was dispensed for use (e.g. home, CBRF, etc.). For pharmacy, they will use 99 (other place of service).

The Family Care code documentation is updated to reflect these decisions.

Attachment A

## Timelines for getting new codes into Edit 199 and FC Pricing Guide

1/1	1/2-3/15	4/1	4/30
CMS Releases new codes	Policy established for new codes	MMIS Systems changes done	FC Fee Schedules to CMOs
1/1	2/1	3/1	4/1
4/30			
<u>Date(s)</u>	<u>Action</u>		
1/1	CMS releases quarterly code changes with 4/1/04 effective date		
1/2-3/15	All new procedure codes must have policy established by the Division of Health Care financing before it can be determined whether they are in the Family Care benefit package or not. These policy decisions include but are not limited to what types of providers can provide the service, where the service can be rendered and the rate type associated with the service. Once policy has been established for new codes and the codes have been evaluated for Family Care purposes, the code changes will be communicated to the CMOs in a Pricing Update and an updated Edit 199 table for placement in the Family Care Pricing Guide.		
3/16	EDS and State staff complete evaluation of new codes which determines changes needed to Edit 199.		
3/16 –3/31	MMIS Edit 199 changes incorporated, including testing and verification of the changes.		
4/1	MMIS system changes complete. FC edit 199 is updated with the appropriate new code ranges. Codes changes, as identified in the documentation and Edit 199 table, are communicated to the CMOs.		
4/30	Quarterly Family Care fee schedule with changes distributed to the CMOs.		

**This process will be repeated each quarter, so that the new codes released each quarter are evaluated and the necessary changes to the Family Care edit 199 are made by the effective date of the new codes.**

\*These timelines are tentative because they are dependent upon policy being established for new codes within the timeline identified above. Typically, policy will be determined at the time of release, however this can take place between the quarterly releases as well. This will be addressed as it occurs.

**FAMILY CARE REQUEST FORM**  
**(Pricing, Coding Etc.)**

**Date:**

**CMO:**

**Name:**

**Email Address:**

**Phone:**

**What does your question pertain to?(use lower case “x”)**

- ☐ Medicare Crossover Pricing
- ☐ Manual Pricing
- ☐ Rates (Medicaid rates)
- ☐ Procedure codes (Medicaid codes)
- ☐ Other Family Care issues

**Explain:**

**General Information**

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**Procedure Code/Revenue Code:**

**Modifier(s):**

**Type of Service(TOS):**

**Provider name:**

**Performing Provider name:**

**Provider Type (PT):**

**Areas you checked for information (Please use reference materials before submitting pricing questions):**

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- ☐ Family Care Pricing Guide. Section?
- ☐ Family Care Fee Schedule. Schedule?
- ☐ Wisconsin Medicaid Provider Update. Number?
- ☐ Wisconsin Medicaid website

**Please email this request to:** Rosana Sigurslid at [sigurrm@dhfs.state.wi.us](mailto:sigurrm@dhfs.state.wi.us) and  
Heidi Herziger at [herzihj@dhfs.state.wi.us](mailto:herzihj@dhfs.state.wi.us)